United States
Department of
Agriculture

Office of
Public Affairs

Selected Speeches and News Releases

June 18 - June 24, 1992

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Statement

U.S. Department of Agriculture • Office of Public Affairs

by Edward Madigan, Secretary of Agriculture, before the House Committee on Agriculture, June 23.

Mr. Chairman, it is a privilege for me to appear today to talk with this committee about the management of the Department of Agriculture and most specifically about our organization and field structure. As you know, management is an abiding interest with me. I have repeatedly said that I want my tenure at USDA to be one in which management is given a special focus.

We have been working aggressively to develop new management initiatives and to better coordinate existing ones because of my interest in the subject and because it is absolutely imperative that we respond constructively to the reports we have received.

Therefore, I welcome this Committee's action in calling this hearing. We share a common interest. In many ways management improvements will be made only to the extent we work together. I want to use this opportunity to talk with you about the past, present, and the future for the Department of Agriculture.

PERSPECTIVES ON THE DEPARTMENT OF AGRICULTURE

I think it is worthwhile to begin any discussion of the management of the Department of Agriculture by making sure we have an accurate perspective of the institution. In many respects USDA is one of the least understood organizations in our Government. Effective management improvement must be premised on an accurate understanding of the Department and its missions.

The first point I would make is simply that the USDA is a huge organization. With annual outlays at about $60 billion, it is the fourth largest Federal agency in terms of spending. It is one of the larger employers in the Federal Government, ranking sixth with about 111,000 staff-years in FY 1992. It also supports additional non-Federal employees at the State and local level with its programs. Viewed in an international context, there are only 17 nations of the world with budgets that exceed that of the Department of Agriculture. Viewed in the context of our

nation, USDA spending in FY 1991 exceeded $500 million in 38 of our 50 states. In a private sector context, USDA would rank fourth among U.S. corporations—smaller than General Motors, Exxon, or Ford, but larger than IBM, Mobil, or General Electric. If USDA were considered a bank, based on its credit and lending activities, it would easily be one of the largest banks in the Nation.

Another important factor is the sheer diversity of the Department. That diversity and the changing balance of programs form part of the fabric that makes management of the Department so challenging. Some important facts:

—USDA has programs in 10 of the 17 major budget functions defined by the Executive Branch and the Congress. There is no other agency of Government with programs in so many of the different budget functions.

—Over one half of the Department's budget goes for food assistance programs such as the Food Stamp Program, child nutrition programs, etc. USDA is thus a major factor in the delivery of benefits to our poor citizens throughout the Nation.

—USDA's largest employer is the U.S. Forest Service with nearly 40 percent of the USDA total workforce. It is worth noting that the Forest Service provides more than double the outdoor recreation of any other agency of the Federal Government, providing around 40 percent of the U.S. total. Thus, USDA is a major force in environmental and recreation issues.

—USDA oversees a Federal-State Research partnership which employs over 16,700 scientists in every State and numerous countries around the world. The broad spectrum of this research stretches from food safety to human nutrition to the environment to crop production.

—USDA has a housing loan portfolio of almost $30 billion.

—USDA is a major factor on the international scene with USDA personnel in most embassies around the world. We have some 600 people in over 80 countries that help in carrying out over $8 billion annually in export programs.

—USDA has major responsibilities for the inspection and grading of agricultural products. Some of these services are paid for by industry through user fees amounting to about $400 million annually.

The Department is often criticized as a bloated bureaucracy with an exorbitant number of employees serving a limited clientele. The charge has been made that USDA has nearly one employee for every farmer. This is just not true and we need to dispel such erroneous statements. In

addition to managing the traditional farm programs, USDA's mission as noted above includes responsibilities for managing forestry programs, domestic food assistance programs, research and education activities, marketing programs,meat and poultry inspection programs, rural development, and many other important programs. Therefore, only about 20 percent of the USDA Federal workforce is devoted to administration of programs dealing directly with farmers.

Thus, while the focus of discussion about the Department tends to be on production agriculture, the fact is that USDA provides a wide range of other services to the country. I will talk more about the shifting balance of USDA programs later in this statement.

It is also useful to take a clear look at the organization and management philosophy which has guided the Department for many years. From an organizational standpoint, USDA can be described as a confederation with nine subcabinet offices, 42 constituent agencies, 250 separate programs, and a large number of field offices put in place to carry out those programs. Subcabinet offices, agencies and field structures tend to be organized on a functional basis. Foresters, soil conservationists, nutritionists, scientists, and other specialists essentially have their own agencies. Decision making is highly decentralized with power most often delegated to the state and local levels where the programs actually function on the ground and several programs are operated cooperatively with state and local governments and other public institutions. Emphasis is on solving problems at the local level, by working with citizens rather than by imposing regulations on them.

THE PERFORMANCE OF THE DEPARTMENT OF AGRICULTURE

Obviously, we are here to discuss ways to improve the management of the Department of Agriculture. However, we need to understand that the Department has had many achievements since it was created by President Abraham Lincoln in 1862 and, in the last 20 years, it has done a great many important things for the American people. During that time, we have literally seen revolutionary changes in the nature and complexity of USDA programs. We have also seen a significant shifting of priorities within the Department, as some programs have grown and others have receded in the overall scheme of things.

When I came to Washington in 1972, the total budget of the Department was about $11 billion. Over one-third of this money was

spent on farm price and income support programs. Another 40% of the budget in 1972 was spent primarily on programs which we would identify today as discretionary programs, largely in the research, conservation and marketing areas. The remaining 24% of the budget was spent on food assistance programs.

Today, a review of the Department's budget and programs reveals a very different picture. During this fiscal year the Department will spend nearly $62 billion—six times more than was spent in 1972. We are spending about 20% of our budget (down from one-third) on farm price and income support programs. We are spending nearly 54% (up from 24%) for the funding of food assistance programs. We have over 25 million people, a record number, on food stamps and we have a national commitment to continue the expansion of the WIC program which now exceeds 5 million individuals. Discretionary programs including conservation and marketing programs now represent only 27% of our total budget (down from 40%) and are severely constrained under the current budgeting system.

In looking at the past trends, it is also worthwhile to note that:

—Since 1972, five major farm bills have been enacted of increasing scope and complexity. In length alone, farm bills have expanded from the 29 pages of the 1973 farm bill to the 719 pages of the 1990 farm bill. The point is not to criticize anyone for the length of the farm bills but simply to note that the scope of farm bills has expanded greatly. Today, a farm bill authorizes new programs or changes the vast majority of the Department's existing programs, bringing about significant implementation and regulatory problems on a recurring basis. This simply was not the case in the earlier years of the Department.

—The Department, like other Federal agencies, has carried out annual programs in the midst of great uncertainty about funding levels. In 16 of the past 20 years, USDA appropriations have not been enacted by the beginning of the fiscal year. Whatever problems in management the Department may have, they are certainly not helped by placing our managers in this kind of uncertainty year after year.

—The Department has implemented new and expanded programs without additional employees. In fact, USDA's employment in 1991 was 110,357 staff-years compared to its peak employment level of 125,185 staff-years in 1980 when the budget for the Department was only $25 billion. Thus, while our budget has expanded two and one-half times since 1980 we are carrying out activities with 15,000 fewer staff-years.

In addition, in recent years, we have also been able to reduce ASCS county office employment from nearly 18,000 staff-years to 15,000 staff-years or roughly a 16 percent reduction.

—In programmatic terms, we have faced many new challenges including new and ever more complex farm programs with higher farmer participation, implementation of new and expanded food assistance programs as I mentioned previously, a major effort to carry out new conservation programs and cross compliance requirements which fundamentally changed the nature of USDA conservation programs, major efforts to respond to public concern about food safety, and increased USDA involvement in the international arena.

Thus, in many ways it can be said that the Department's organization has served the Nation well. There is no doubt that the USDA structure has been a superb instrument for the delivery of programs which were amenable to its functional organization and most responsive to its decentralized management philosophy. There is also no doubt that we have had and continue to have a great many dedicated employees who have worked within this structure to carry out important programs for the people of this country. One recent example has been the great job that our ASCS personnel did in getting the 1990-91 disaster payments to producers in record time. However, we must not let these very important achievements blind us to the fact that some organizational and management improvements may be needed at USDA.

While the functional and decentralized approach has served us well it has produced a lack of central information and control systems which are essential to effectively manage the Department. With current technology, we should expect to have both improved program operations and delivery and improved management systems for better policy and program decision making. That is why I have moved aggressively since I took office to develop a meaningful inventory of these management issues and an effective program for dealing with them.

CHANGE FOR THE FUTURE IN USDA

In reviewing the management issues of the Department, I have concluded that they fall into a number of basic categories. Let me list those categories, the specific issues I believe exist in each category, and the actions I have taken to deal with them.

In the first place, it has been apparent to me since I took office as Secretary of Agriculture that the Department needs stronger

administrative management systems to assure that we provide the best possible services to our citizens and that we manage effectively within today's increasingly difficult budget constraints. Specifically:

—We need to make the most effective possible use of automated systems. Annual Departmental spending to operate and upgrade its automated systems now approaches $1 billion. The lack of a strong oversight system at the Department level has meant that many of these systems are noncompatible and do not provide the USDA clientele the full benefits of automated technology. For these reasons, I have directed that our Departmental oversight of automated systems be strengthened. Action is being taken to provide additional expert staff at the Departmental level to assist agencies develop and implement information resources management plans that emphasize cross-agency coordination, data sharing and better service to USDA clientele. A continuation of this action is supported by an increase in the Department's FY 1993 budget for the Office of Information Resources Management now pending before the Congress. I have also directed the development and implementation of a Department wide information resources management strategic plan, so that all USDA automated systems will proceed in a manner that is consistent with an overall plan. Where necessary, we are prepared to withdraw the authority of line agencies to purchase ADP equipment and have done so in the case of one USDA agency. Also, from an information resources management standpoint, we are working to find ways to match our services to our clients' needs. For example, this spring we began testing eight projects in 16 locations across the Nation as part of our "Easy Access" program to improve our services and cut through red tape and paperwork in order to simplify people's lives and let farmers be farmers.

—Another area needing improvement is financial management. A Department as complex and diverse as USDA cannot function effectively unless it is well served by its financial management systems. I have invested a great deal of my personal time in the review of the 1991 Federal Managers' Financial Management Integrity Act reports submitted by our USDA agencies. As a result of that review, I am convinced that we need to take strong action to modernize our administrative accounting systems at the National Finance Center in New Orleans and to deal with a number of specific financial management issues in a number of our agencies. We are preparing to modernize these systems.

—As you know the Department has frequently been criticized for its

civil rights performance, both with respect to its own work force, and with respect to the delivery of its programs. We are making some progress in these areas as noted in some recent reports. According to the Equal Employment Opportunity Commission, USDA rose eight places in the Government wide ranking of minorities and women—from 31st to 23rd place out of 52 agencies. Women are now the fastest growing group in USDA. They now account for 40 percent of our workforce. Employment of minorities has also increased. They now represent nearly 17 percent of our workforce. Based on the first quarter of FY 1992, about one-half of all hires in the Department were minorities or women. These are positive developments but more needs to be done. I have directed that every USDA agency strengthen its recruitment programs and take all necessary steps to ensure that there is truly equal opportunity and access to employment with the Department of Agriculture. One important step we have taken toward this end is to strengthen the Department's relationships with the 1890 historically black land grant universities and with those universities with large populations of students of Hispanic heritage. I am convinced that these universities can provide an excellent source of recruitment for talented individuals who can make an important contribution to USDA programs. We are also strengthening the Department's oversight to ensure nondiscrimination in the delivery of its programs. Our Office of Advocacy and Enterprise will issue new guidelines for compliance reviews to assure that equal opportunity is a fact with respect to USDA programs.

—One other administrative management area which needs improvement is the follow up of audit findings made by the Office of Inspector General and the General Accounting Office. When I took office, I found that there were large numbers of audit findings which had not been resolved. On further review, I concluded that the situation was the result of a combination of factors including a lack of diligence on the part of some of our agencies in resolving audits and an incredible score-keeping system for audits which failed to give Department agencies full credit for actions they had in fact taken. We have launched a major effort within the Department to resolve outstanding audit findings. As a result of that effort, we expect the numbers of unresolved audit findings to be reduced substantially within the next 12 months.

Another category of management issues which we need to address is crosscutting issues. As I mentioned earlier in this testimony, the Department's organization has often functioned well so long as issues

were fairly narrow and could be confined within the expertise of a specific agency or subcabinet officer. As you know, we face a situation today where we must deal with an ever increasing number of broad issues which often require the coordinated efforts of significant numbers of USDA agencies and subcabinet officers. Short of a wholesale reorganization of the Department, the best way to deal with these issues is to provide for policy level oversight in those most important areas where such oversight is required. Toward that end, I have reinstituted the Secretary's Policy Coordination Council which was originally established by former Secretary Yeutter. The Council is chaired by Deputy Secretary Veneman and is responsible for assuring that there is necessary coordination of cross-cutting issues. To date we have taken specific action to ensure appropriate coordination of water quality, food safety, biotechnology, nutrition education, biofuels, and new uses for agricultural commodities. To the extent necessary, additional crosscutting issues can and will be added to the purview of the Policy Coordination Council.

Perhaps the one category of management issues which has received the most public attention has to do with the USDA field structure. As I indicated previously in this testimony, the Department is organized on a functional basis and is highly decentralized. The net result is that each of our USDA agencies has its own field system which operates in cooperation with its own clientele groups. It is entirely possible for the Department of Agriculture to have four or five separate offices in a single county. In recent years there have been efforts to collocate USDA offices in common office space and, in fact, many USDA offices are collocated. However, collocation does not mean that services have been fully integrated or that there is full sharing of resources. I am convinced that this fragmentation carries a high price in terms of cost to the taxpayer. It also creates a very cumbersome situation for USDA clientele if they wish to deal with more than one USDA agency, as they are often put to the task of visiting separate USDA offices and providing the same information repeatedly to each of those offices. We are moving to address opportunities to improve the Department's program delivery. Specifically:

—We need to take a basic look at our field structure. One step in such a review is to ask the USDA clientele what they think of our field services. I have asked Deputy Secretary Veneman to hold a number of town meetings around the country. Four town meetings have already been held in Salina, Kansas; Abilene, Texas; Sacramento, California; and Columbia, South Carolina. I want to thank Chairman de la Garza and

Congressman Coleman, the Ranking Minority Member, for their support of these meetings. We also greatly appreciate the personal involvement of Congressmen Stenholm and Roberts in attending these meetings.

—Another step is a thorough review of the field structure. I initiated such a review of the field structure this spring. However, I have become convinced that the review needs to be broadened, given the complexity and diversity of the field organization and the systems serving that organization. I have asked the Director of OMB to draw on OMB's management expertise to assist the Department in the review. A team of experts from OMB and USDA are examining current systems, workload, and overhead costs in our field structure. I have also asked for advice from the State Directors of the farm service programs.

We cannot rush forward in this effort and make changes in isolation. We need to conduct this reorganization effort in a business-like fashion that integrates operations, saves money and improves services.

At the same time, we are finding ways to operate more effectively within the current field structure. In the last five years, Agricultural Stabilization and Conservation Service (ASCS), Farmers Home Administration (FmHA) and Soil Conservation Service (SCS) have closed over 300 offices in areas where service could be provided more efficiently by another office. Also, we are reviewing the operations of our local offices to determine to what extent resources are actually shared, and to what increased extent they can be shared in the future. Currently, a high percentage of the county offices of FmHA, ASCS, and SCS nationwide are collocated. In fact, in my home State of Illinois 96 of ASCS's 97 county offices are collocated—95 of these offices are collocated on the same floor of the same buildings. We are investigating opportunities to expand the use of collocation where it has not yet occurred and to make better use of automated systems and other possibilities for improving our service to USDA clientele. As mentioned previously, one exciting aspect in the latter area is the "Easy Access" program under which we would provide improved services to our clientele through automated systems and other modern techniques.

The last category of issues is simply the need to address specific program management issues which may be unique to individual USDA agencies, but which are very important with respect to specific programs. These issues range from the error rates and trafficking in the Food Stamp Program to the need by our commodity procurement agencies to do a better job of tracking their inventories and reducing taxpayer costs

wherever possible. Many of these issues are now receiving priority focus at the agency level.

NEED FOR CONGRESSIONAL AND EXECUTIVE BRANCH COOPERATION

As we move to resolve the management issues of the Department of Agriculture, I cannot proceed alone. Any meaningful improvement in the management of the USDA will require a coordinated and cooperative effort between the Executive Branch and the Congress.

One way in which we can work together is in taking a hard look at the constraints which inhibit good management in the Department of Agriculture. Some of these are established in the law or in Congressional reports, and some were placed there by individuals who wanted to protect a particular program or activity. As a former Member of the Congress, I can understand and sympathize with many of the concerns which created these provisions. They range from provisions which deal with single USDA field offices to overall prohibitions against changing regional boundaries or making even more significant changes to the USDA organization.

I hasten to add that not all management constraints are created in the legislative branch of the Government. I have, in fact, found that we in the executive branch are equally capable of tying ourselves in knots. For instance, I recently discovered that an internal directive prohibited the closing of county offices without the consent of the affected county committee. That directive has been changed to make it clear that I have the authority to make those final decisions. I intend to include in our review a search for those things within our own control which operate to inhibit management reform.

Another area where we can cooperate effectively has to do with envisioning basic structure for the Department of Agriculture to last well into the next century. This goes beyond the improvement of existing management systems or the office by office review of the field structure. We need to consider the fundamental organization of the Department ranging from the jurisdiction of subcabinet officers to the organization of our agencies and field structure. One possibility is to create a single farmer service organization under the jurisdiction of a single subcabinet officer. I also realize that any such fundamental reform cannot be achieved without legislation. I have asked my subcabinet to review the

report on the Department's structure which was completed in 1985 and to give me their suggestions on these matters.

After a thorough examination of the steps necessary to create an integrated, streamlined field structure that will lead to improved service, we will close or consolidate those offices that do not fit our redesigned structure.

I would appreciate your help in quelling the fears which naturally arise in employees and clientele groups whenever the question of field structure and management are raised. I understand those fears. People are worried about their jobs. Clientele groups are worried about the services they receive. Senators and Congressmen will be concerned about the impact of such changes on their States or districts. We will implement changes with compassion and attention to the concerns of those who are affected by such changes.

We would hope to provide the employees affected in any reorganization with new and more challenging jobs and rely heavily on attrition to make any workforce adjustments. This is only one part of true management reform. Financial management, information resources management and a completely modern field structure are items that will take some time to implement in the most efficient and cost-effective way.

In summary, I am optimistic about the future of the Department of Agriculture. It is a fine organization with a long history of valuable service to this country. In many respects the Department's traditional philosophy of cooperative, on-the-ground problem solving with people at the State and local level is a sound proven approach. However, traditional approaches need to be reviewed and adapted to current and future circumstances. I think we have a good opportunity to position USDA for service into the next century. I look forward to working with this Committee and with all members of the legislative branch toward this end.

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News Releases

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CERTAIN MONTANA COUNTIES APPROVED FOR EMERGENCY HAYING OR GRAZING

WASHINGTON, June 18—Secretary of Agriculture Edward Madigan announced today that due to extreme drought conditions in Montana, certain counties have been approved for emergency haying or grazing of Conservation Reserve Program acreage.

Madigan said 15 counties are affected and have been individually approved for The U.S. Department of Agriculture's livestock feed programs or emergency haying and grazing of Agriculture Conservation Reserve/Conserving Use acres.

"Because of the environmental objectives of the CRP we would prefer not to hay or graze these acres, but we are responding to an emergency situation with a cautious, prudent program," he said.

The approved counties are: Blaine, Cascade, Chauteau, Daniels, Fergus, Glacier, Hill, Lewis and Clark, Liberty, Petroleum, Phillips, Pondera, Teton, Toole and Valley. "Any additional Montana counties subsequently approved for livestock feed programs or ACR/CU haying and grazing will also be considered eligible for these emergency provisions," Madigan said.

The producer must first apply and be approved for this allowance at the county office of the Agricultural Stabilization and Conservation Service.

Madigan said either haying or graznng—and not both on the same acreage—will be allowed from June 19 through September 30. "All haying must be completed or livestock off the land by the end of the day on September 30," he said.

"Only 75 percent of the acreage under contract may be hayed and only one cutting of hay will be allowed," Madigan said. "The hay may be fed to the producer's own livestock or sold."

"The entire acreage may be grazed but by only up to 75 percent of the normal stocking rate established by the Soil Conservation Service," Madigan said. "Producers may graze their own stock or lease the acreage to other livestock owners subject to the same conditions."

Producers who elect to hay or graze their CRP acreage or lease the

property for grazing under this allowance will have their CRP annual rental payment reduced. The reduction will be based on the value of forage that can be removed from the acreage, as determined by the county Agricultural Stabilization and Conservation Committee.

Madigan emphasized that producers must contact their county ASCS office for full information and permission to participate in this emergency program before beginning to hay or graze in order to maintain CRP contract compliance.

Bruce Merkle (202) 720-8206

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USDA TO REVISE IMPS GENERAL REQUIREMENTS

WASHINGTON, June 18—The U.S. Department of Agriculture announced today that it has revised the ''General Requirements'' section of its Institutional Meat Purchase Specifications (IMPS).

Daniel D. Haley, administrator of USDA's Agricultural Marketing Service, said the IMPS General Requirements provide meat purchasers with a variety of refrigeration, packing and packaging options for over 460 different meat and meat products. The requirements were revised in response to comments received from consumers and industry.

The revised General Requirements include new options such as ''quick and deep'' freezing, metal detection, palletization and recycling information. They were last revised in 1982.

Haley said industry innovations, improved technology and changing purchaser preferences that have occurred since the 1982 edition necessitated the need for the revision. The revised IMPS General Requirements represent a new generation of meat purchase specifications and provide for the increasingly changing and diverse needs of the institutional purchaser, he said.

The revised IMPS General Requirements will become effective Nov. 1. Copies are available now from Michael L. May, Chief, Livestock and Meat Standardization Branch, Livestock and Seed Division, AMS, USDA, Rm. 2603-S, P.O. Box 96456, Washington, D.C. 20090-6456.

Becky Unkenholz (202) 720-8998

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U.S. DETERMINES SWISS CHEESE FROM SWITZERLAND UNFAIRLY UNDERCUTS U.S. PRODUCT

WASHINGTON, June 18—Secretary of Agriculture Edward Madigan today announced the U.S. government has determined that Swiss cheese imported from Switzerland is being subsidized by that country's government and is unfairly undercutting the price of U.S.-produced Swiss cheese.

"This determination opens the way for the U.S. trade representative to notify the government of Switzerland that it has 15 days from notification to eliminate the subsidy or otherwise ensure that the wholesale price of the imported cheese is not less than the wholesale price of U.S.-produced product," Madigan said.

If Switzerland does not resolve the issue within 15 days, the next step would be a recommendation to the president that import fees be imposed to offset the price undercutting or that the entry of Swiss (Emmentaler) cheese from Switzerland be limited, Madigan said.

The Departments of Agriculture and Commerce began an investigation of the problem after a May 14 complaint by the Farmers Union Milk Marketing Cooperative (FUMMC) of Madison, Wis., and other dairy interests in the Upper Midwest.

FUMMC alleged that 200-pound wheels of Swiss, or Emmentaler, cheese from Switzerland, imported under quota, were being sold in the United States at prices less than the domestic wholesale market prices of similar articles produced in the United States. They also said that the government of Switzerland is providing a subsidy for the cheese.

Under the law, USDA makes the determination of price undercutting, while the Department of Commerce determines the amount of the subsidy. USDA found that the wholesale price of industrial-quality Swiss cheese wheels imported from Switzerland in the New York-New Jersey market during the period of November 1991 to April 1992 was $1.14 per pound, compared with $1.56 per pound for similar quality U.S.-produced Swiss cheese blocks in the same market.

The Department of Commerce determined that the subsidies of the cheese, including all advertising and promotional expenses paid by the Government of Switzerland, amounted to $1.713 per pound during October- December 1991, $1.822 during January-March 1992, and $1.648 per pound during April 1992.

Lynn K. Goldsbrough (202) 720-3930

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NORTH DAKOTA, SOUTH DAKOTA COUNTIES APPROVED FOR EMERGENCY HAYING OR GRAZING

WASHINGTON, June 19—Secretary of Agriculture Edward Madigan announced today that, due to extreme drought conditions in North Dakota and South Dakota, certain counties in the states have been approved for emergency haying or grazing of Conservation Reserve Program acreage.

Madigan said 22 North Dakota counties and 28 South Dakota counties have been individually approved for the U.S. Department of Agriculture's livestock feed programs or emergency haying and grazing of ACR/CU acres. Yesterday, 15 Montana counties were also approved for this program.

The approved North Dakota counties are: Adams, Billings, Bottineau, Bowman, Dunn, Eddy, Emmons, Foster, Grant, Hettinger, Kidder, Logan, McHenry, McLean, Mercer, Morton, Sheridan, Sioux, Slope, Stark, Ward and Wells.

The approved South Dakota counties are: Beadle, Brown, Brule, Buffalo, Campbell, Clark, Corson, Day, Dewey, Edmunds, Faulk, Gregory, Haakon, Hand, Harding, Hughes, Hyde, Jerauld, Jones, McPherson, Meade, Pennington, Perkins, Potter, Spink, Stanley, Walworth and Ziebach.

"Any additional counties in North Dakota or South Dakota subsequently approved for livestock feed programs or ACR/CU haying and grazing will also be considered eligible for these emergency provisions," Madigan said.

The producer msst first apply and be approved for this allowance at the county office of the Agricultural Stabilization and Conservation Service.

Madigan said either haying or grazing—and not both on the same acreage—will be allowed from June 19 through Sept. 30. "All haying must be completed or livestock off the land by the end of the day on Sept. 30."

"Only 75 percent of the acreage under contract may be hayed and only one cutting of hay will be allowed," Madigan said. "The hay may be fed to the producer's own livestock or sold."

"The entire acreage may be grazed but by only up to 75 percent of the normal stocking rate established by the Soil Conservation Service," Madigan said. "Producers may graze their own stock or lease the acreage to other livestock owners subject to the same conditions."

Producers who elect to hay or graze their CRP acreage or lease the

property for grazing under this allowance will have their CRP annual rentalpayment reduced. The reduction will be based on the value of forage that can be removed from the acreage, as determined by the county ASCS Committee.

Madigan emphasized that producers must contact their county Agricultural Stabilization and Conservation Service office for full information and permission to participate in this emergency program before beginning to hay or graze in order to maintain CRP contract compliance.

Bruce Merkle (202) 720-8206

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MEXICO AND U.S. AGREE ON U.S. FRUIT EXPORT REQUIREMENTS

WASHINGTON, June 19—U.S. and Mexican officials agreed late yesterday on requirements for the shipment of U.S. fruit to Mexico, according to Jo Ann Smith, the U.S. Department of Agriculture's assistant secretary for marketing and inspection services.

"The meeting with Mexico Department of Agriculture Under Secretary Ernesto Enriquez Rubio and technical staffs from both countries was very productive," Smith said. "Tentative agreements were reached on requirements for shipping U.S. peaches, nectarines, apricots, cherries, plums and pears to Mexico during the 1992 crop season."

USDA's Animal and Plant Health Inspection Service will provide work plans that include data and information to permit an acceptable technical decision by Mexico.

"Phytosanitary issues must be decided on a scientific and technical basis," said B. Glen Lee, APHIS deputy administrator for plant protection and quarantine. "The agreements that we have reached will allow the movement of fruit without jeopardizing Mexican agriculture."

The tentative agreement requires a phytosanitary certificate for the following crops along with other requirements as noted:

—Peaches and nectarines: Fumigation with methyl bromide before entry in Mexico, either at origin or at designated border entry points.

—Plums: Plums from certain areas may be certified for entry into Mexico under the same protocol used to certify plums for entry into

Canada. Plums from areas not certifiable will be fumigated with methyl bromide.

—Cherries: Fumigation with methyl bromide after a critical review of the work plan.

—Pears: Pears from California, Oregon and Washington may be certified based on inspection of 1 percent of the boxes and 5 percent of the fruit nn those boxes.

—Apricots: Because of the phytotoxic affect of methyl bromide on apricots, certification is based on intense inspection and fruit cutting—two percent of all boxes and no less than 0.2 percent of the fruit in those boxes must be cut and examined.

Approval of workplans and issuance of permits is expected next week.

Doug Hendrix (301) 436-7253

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USDA PROPOSES TO REMOVE FLORIDA AREAS FROM LIST OF CITRUS CANKER SURVEY AREAS

WASHINGTON, June 22—The U.S. Department of Agriculture is proposing to remove certain areas in Hillsborough and Manatee Counties and all areas in Sarasota County from the list of citrus canker survey areas in Florida.

Trees, plants and groves producing regulated fruit in these areas would no longer be inspected for citrus canker on an accelerated basis.

Citrus canker is a disease that affects citrus fruits as well as other plants and plant parts, and Florida is the only state where it currently exists. To prevent the disease from spreading, certain areas of Florida are under quarantine, and regulated articles are subject to interstate movement restrictions from and through these areas.

Survey areas are outside the quarantine areas and serve as containment or buffer zones. USDA's Animal and Plant Health Inspection Service and state inspectors closely monitor these areas for signs of citrus canker. Reductions in the survey areas would allow APHIS and state resources to be redirected to other important activities without jeopardizing the effectiveness of the citrus canker eradication program.

Notice of the proposal is scheduled for publication in the June 23 Federal Register. Comments will be accepted if they are received on or before Aug. 23. An original and three copies of written comments

referring to docket 92-019-1 should be sent to Chief, Regulatory Analysis and Development, PPD, APHIS, USDA, Room 804 Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782.

Comments may be inspected at USDA, Rm. 1141-S, 14th St. and Independence Ave., S.W., Washington, D.C., between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

Beth Hulse, (301) 436-4892.

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WILD WHEAT OFFERS GENES AGAINST LEAF RUST

WASHINGTON, June 22—A type of wild wheat carries genes that may provide resistance to future infestations of the leaf rust that has ravagedthis year's hard red winter wheat crop, U.S. Department of Agriculture scientists report.

The genes, from three subspecies of Triticum monococcum, ''appear to be very powerful against rust,'' said Thomas ''Stan'' Cox, a wheat geneticist with USDA's Agricultural Research Service at Manhattan, Kan. Leaf rust infects wheat plant leaves, resulting in lower seed formation and yields.

Cox worked with Kansas State University scientists on crossing T. monococcum with common wheat to produce three new germplasm lines with the desired genes. The new wheat lines may be ready for release to commercial plant breeders in 1993. It takes about eight additional years to develop a wheat variety that is available to growers.

Several additional lines of germplasm exhibiting leaf rust resistance are now being tested, Cox said. Since 1986, four lines have been released through the ARS-Kansas State University joint project.

Rust infestation throughout the southern and central Great Plainsthis year has reached epidemic proportions, said Merle G. Eversmeyer, an ARS epidemiologist at Manhattan. ''This is the worst outbreak of leaf rust that I've seen in the past 27 years, so these new genes are more important than ever,'' he said.

In early March, Eversmeyer traveled throughout Kansas, Oklahoma and Texas checking the winter wheat crop for signs of rust. Of the approximately 60 fields inspected, all were suffering from the disease. In past years, Eversmeyer has found an average of 10 infested fields.

Leaf rust is a disease caused by a fungus that is spread by wind-borne spores. These spores form small, reddish-orange pustules on leaves of the wheat plant. The spores usually infect leaves of young plants when the plants emerge in the fall.

Cold winter temperatures may kill the infected leaves. If the infected leaves die, the fungus also dies.

But, Eversmeyer said, if the leaves survive, over winter the fungus will spread—as was the case this year—to new leaves produced when the plant comes out of dormancy in the spring. These newly infected leaves usually die earlier.

"The best way to fight the disease is by planting resistant varieties," Eversmeyer said. "Producers should also rid fields of volunteer wheat from the past crop that sprouts on its own prior to the fall planting period."

While an infested crop can be treated with fungicides, he said, treatment costs are generally not economical based on potential wheat yield and price per bushel.

Marcie Gerrietts (309) 685-4011

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USDA PROPOSES TO DECREASE ASSESSMENTS ON IMPORTED PORK

WASHINGTON, June 22—The U.S. Department of Agriculture today proposed to decrease assessments on imported pork and pork products by threeto fourhundredths of a cent per pound, or the equivalent of sevento nine-hundredths of a cent per kilogram.

Daniel D. Haley, administrator of USDA's Agricultural Marketing Service, said the proposed decrease reflects the 11-percent decrease in hog prices paid at major U.S. markets this past year. The rate of assessment, which was increased from 0.25 of one percent to 0.35 of one percent of market price effective Dec. 1, 1991, remains unchanged.

"Assessments on imported pork and pork products are established by formula each year, based on U.S. market prices for hogs," Haley said. "This proposed change would bring importer assessments more in line with those being paid by domestic producers."

Assessments on domestic and imported pork are authorized by the Pork Promotion, Research and Consumer Information Act of 1985. The

assessments fund research and promotional activities designed to strengthen the position of pork in the marketplace.

The proposed changes will appear in the June 23 Federal Register. Comments, postmarked no later than July 22, may be sent to Ralph L. Tapp, Chief, Marketing Programs Branch, Livestock and Seed Division, AMS, USDA, Room 2624-S, P.O. Box 96456, Washington, D.C. 20090-6456; telephone (202) 720-1115. Copies of the proposed rule and additional information are also available from the above address.

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USDA AWARDS GRANTS TO HELP START SCHOOL BREAKFAST PROGRAMS

WASHINGTON, June 23—The U.S. Department of Agriculture has awarded $5 million in federal grants to school districts in 27 states to help start school breakfast programs in the next school year, a USDA official announced today.

The grants are part of a 5-year program that began in 1990 to provide start-up funds for new school breakfast programs. USDA provided $3 million in 1990, and $5 million is available for new programs each year through 1994.

"We know kids learn better with a good breakfast," said Betty Jo Nelsen, administrator of USDA's Food and Nutrition Service. "These grants have helped bring more than 6,000 schools and a million children into the School Breakfast Program since they began in 1989."

"We're delighted to see the grants encouraging new local programs," Nelsen said. "Breakfast is an important step toward assuring that every child comes to school ready to learn every day."

Nelsen said nearly 5 million children in more than 46,000 schools now participate in the School Breakfast Program nationwide, a 27-percent increase since 1989.

FNS, which administers the School Breakfast Program, awarded the grants to districts in Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Vermont, Virginia, the Virgin Islands and Washington State.

The grants were awarded on the basis of need, number of children who could be added to the program, and feasibility and cost-effectiveness of the school districts' proposals.

Nelsen said the federal grants will supplement money being provided by the states to start the new breakfast programs. She said most of the grant money would be spent by the school districts for capital expenditures, but that some would also go for training of food service workers and to publicize the new programs.

The grant funds will be available to the school districts in school year 1992-93.

The amounts awarded to the 27 states are:

Alabama	$262,404	Nebraska	$149,323
Arizona	$71,810	Nevada	$16,077
California	$1,055,214	New Jersey	$60,378
Colorado	$28,049	North Dakota	$145,509
Florida	$89,385	Ohio	$42,849
Georgia	$183,151	Oregon	$220,455
Illinois	$141,935	Pennsylvania	$586,726
Indiana	$223,564	South Carolina	$127,925
Kansas	$333,088	South Dakota	$69,516
Kentucky	$244,340	Vermont	$103,705
Michigan	$138,122	Virginia	$52,497
Minnesota	$79,920	Virgin Islands	$133,395
Missouri	$101,533	Washington	$82,571
Montana	$256,559		

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USDA PROPOSES TO LIFT TRANSIT RESTRICTIONS ON CERTAIN ANIMAL PRODUCTS

WASHINGTON, June 23—The U.S. Department of Agriculture is proposing to allow animal products from certain countries to move through the United States en route to foreign destinations without having to originate in establishments authorized to export animal products to the United States.

The affected countries include those that are free of foot-and-mouth disease and swine vesicular disease but currently subject to certain restrictions because of potential risk factors.

The principal countries involved are: The Bahamas, Bulgaria, Chile, Denmark, Finland, Hungary, Japan, Luxembourg, Norway, Papua New Guinea, Poland, Sweden, Switzerland and Yugoslavia.

"We believe this action would provide more trade routes for shippers in these countries and more business for domestic transport and brokerage companies without increasing the risk of introducing disease," said Billy G. Johnson, deputy administrator for veterinary services of USDA's Animal and Plant Health Inspection Service.

If the proposal is finalized, shippers will be required to comply with specific safeguards, including transporting products in sealed containers and moving the products out of the United States in the shortest practical time period.

Currently, animal products from these countries intended for transit through the United States must meet the same criteria as those imported for domestic use. USDA strictly regulates the movement of such products because of the risk of disease introduction.

Notice of the proposal is scheduled for publication in the June 23 Federal Register. Comments will be accepted if they are received on or before July 23. An original and three copies of written comments referring to docket 91-153 should be sent to Chief, Regulatory Analysis and Development, PPD, APHIS, USDA, Room 804 Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782.

Comments may be inspected at USDA, Rm. 1141-S, 14th St. and Independence Ave., S.W., Washington, D.C., between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

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GREAT PLAINS WIND EROSION DOWN SIGNIFICANTLY FROM LAST YEAR

WASHINGTON, June 23—Wind erosion in the Great Plains was down significantly—half of what it was a year ago—during the November-through-May wind erosion season, a U.S. Department of Agriculture official said today.

William Richards, chief of USDA's Soil Conservation Service, said reports from the 10-state Great Plains area indicate wind has damaged 4.3 million acres compared to last year's 8.2 million acres.

Richards said implementation of conservation plans under the Farm Bill provisions and the Great Plains Conservation Program, in addition to easing of drought in certain areas, have resulted in far fewer damaged acres throughout the Great Plains area.

Conservation practices such as crop residue management, windbreaks, critical area mulching and planting of cover crops, helped to protect the soil, Richards said.

The Great Plains wind erosion damage that occurred was due primarily to tillage, freezing and thawing, and in some areas continuing drought—all resulting in insufficient cover and little residue.

Many farmers in the Great Plains used emergency tillage—roughening the surface—to prevent erosion damage where there was enough moisture. This season 1,227,205 acres received emergency tillage compared to 2,386,924 acres last year.

More than 16 million acres were reported in condition to blow, down slightly from the previous season. Crops or cover were destroyed on 300,124 acres, about 66 percent less than last year.

Of the total land damaged, about 93 percent was cropland. The rest was primarily rangeland.

The northern Great Plains reported 2,838,601 acres damaged, about the same as last year and 32 percent above average. North Dakota reported the most acres damaged (1,181,781), down from 1,443,481 acres the previous year. Nebraska reported the fewest acres damaged (87,040), down from 199,465 acres the previous year.

The southern Great Plains reported 1,486,525 acres damaged, 28 percent of last year's 5,352,983 acre total. This year's reported damage is 41 percent of average. All states in this region reported well-below average losses with New Mexico reporting only 4,900 acres damaged compared to 480,520 acres the previous year.

SCS reports land damaged when small mounds or drifts of soil are observed, or blown soil covers vegetation. SCS conducts its survey during the wind erosion season in 541 counties in the Great Plains states.

A state-by-state summary of estimated land damaged during the wind erosion season between Nov. 1, 1991, and May 31, 1992, follows. For comparison, information is also provided for the same period a year ago.

WIND EROSION DAMAGE, NOVEMBER 1991 to MAY 1992

	Estimated Acres Damaged	
	Nov. 1991-May 1992	Nov. 1990-May 1991
Northern Great Plains:		
Montana	1,013,320	803,871
Nebraska	87,040	199,465
North Dakota	1,181,781	1,443,481
South Dakota	346,240	233,990
Wyoming	210,220	147,330
SUBTOTAL	2,838,601	2,828,137
Southern Great Plains:		
Colorado	504,220	1,043,995
Kansas	304,810	2,024,410
New Mexico	4,900	480,520
Oklahoma	65,110	134,180
Texas	607,485	1,669,878
SUBTOTAL	1,486,525	5,352,983
TOTAL	4,325,126	8,181,120

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CERTAIN IDAHO COUNTIES APPROVED FOR EMERGENCY HAYING OR GRAZING

WASHINGTON, June 24—Secretary of Agriculture Edward Madigan announced today that, due to extreme drought conditions, 14 counties in Idaho have been approved for livestock feed programs and emergency haying or grazing of Conservation Reserve and Conserving Use acreage.

The approved counties are: Bannock, Bear Lake, Benewah, Butte, Camas, Caribou, Elmore, Idaho, Latah, Lincoln, Oneida, Power, Twin Falls, and Washington.

"Any additional counties in Idaho subsequently approved for livestock feed programs or ACR/CU haying and grazing will also be considered eligible for these emergency provisions," Madigan said.

The producer must first apply and be approved for this allowance at the county office of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

Madigan said either haying or grazing—and not both on the same acreage—will be allowed from June 24 through Sept. 30. "All haying must be completed or livestock removed from the land by the end of the day on Sept. 30.

"Only 75 percent of the acreage under contract may be hayed and only one cutting of hay will be allowed," Madigan said. "The hay may be fed to the producer's own livestock or sold."

"The entire acreage may be grazed but by only up to 75 percent of the normal stocking rate established by USDA's Soil Conservation Service," Madigan said. "Producers may graze their own stock or lease the acreage to other livestock owners subject to the same conditions."

Producers who elect to hay or graze their CRP acreage or lease the property for grazing under this allowance will have their CRP annual rental payment reduced. The reduction will be based on the value of forage that can be removed from the acreage, as determined by the county ASCS Committee.

Madigan emphasized that producers must contact their county ASCS office for full information and permission to participate in this emergency program before beginning to hay or graze in order to maintain CRP contract compliance.

NOTE:

Emergency haying or grazing provisions for 14 drought-stricken Idaho counties should have explicitly indicated that the emergency haying or

razing is being allowed on Conservation Reserve Program Acreage, and nly in those counties previously approved for livestock feed programs or mergency haying or grazing on Acreage Conservation Reserve and :onserving Use acreage.

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;IANT TROPICAL CORN CUTS COSTS

WASHINGTON, June 24—Buy a bag of tropical corn seed and you ıay feel a little like Jack and the cornstalk.

Tropical corn may not grow as tall as Jack's beanstalk in the children's tory, but farmers in the South can look forward to tropical corn hybrids .5 feet tall compared to eight to 10 feet for regular corn hybrids, said D. Vayne Reeves, a U.S. Department of Agriculture scientist.

Reeves said the kinds of tropical hybrids he has been studying the last hree years will appeal to southern farmers for a couple of reasons: ightly-wrapped husks that discourage insect pests from getting inside to 'east on corn kernels, and cost savings from an unusually late planting late.

Reeves, an agronomist for USDA's Agricultural Research Service, 'ound in an analysis of two commercially bred tropical hybrids grown on :xperimental plots at Auburn, Ala., that a farmer who had been applying l50 pounds of fertilizer an acre could cut back to 45 pounds for tropical :orn.

He said late sowing of seed would overcome a problem posed by the :arly application of herbicides for regular corn. Weed-killing chemicals)revent nitrogen-fixing crops such as crimson clover from forming :lowers and reseeding each spring.

This premature death of clover crops cheats farmers of nitrogen that is ıt its peak when the plants are blooming. On fields of tropical hybrids, Reeves said, farmers could delay herbicides until after clover blooms and nakes seed. That would put the maximum nitrogen in the soil for the :orn to use, while later avoiding the cost and time of replanting clover :ach fall.

Reeves is sharing his findings with seed breeders. "Not much is known ıbout corn bred for the tropics. It has attracted wide interest only in the past few years," he said.

''You can see why farmers are knocking on seed companies' doors for it,'' he said. ''At least one company has recently begun marketing a new tropical hybrid.''

Reeves said not to expect to eat tropical corn-on-the-cob. It is too tough and used only for livestock silage and feed grain.

''You wouldn't want to shuck this corn anyway because it has more husk leaves and they're wrapped tighter than regular corn,'' he said. ''You definitely wouldn't want this in a corn-shucking contest.'' A farmer's combine machine, however, can easily strip the cobs.

Reeves said the corn is suited for the southern region from the Gulf States to Tennessee, and possibly as far north as Virginia. Perhaps new varieties could be adapted to the corn-growing states farther north, he said.

Within the Sunbelt, conventional corn is planted in March or April, while the tropical corn's later dates generally are from mid-May to June 1, depending on the location.

At harvest, tropical and conventional corn each has similar yields if supplied with 150 pounds or less of nitrogen. Both average almost a bushel of grain for every pound of nitrogen. At higher rates of nitrogen fertilizer, yields of tropical corn fall behind.

''But in this era of sustainable farming, farmers aren't necessarily looking for record yields. The inputs to get high yields may not be economical,'' Reeves said. ''Also, reducing nitrogen applications not only saves costs, but avoids possible risks of water contamination from excess nitrogen.''

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